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## CENTRAL INTELLIGENCE AGENCY

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2. Czechoslovak Foreign Trade  
3. Czechoslovak Political Personalities

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1. The East Bloc will take the following propaganda line at the Moscow Economic Conference:

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- a. Expansion of East-West trade in a program "comparable to the Marshall Plan". The East Bloc will make a frank offer of specified goods for exchange, and no political conditions will be attached to trade in these goods.
- b. The USSR will announce a program similar to the United States Point Four program in which the USSR and all satellites will participate.

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2. Moscow has instructed the Czechoslovak delegation that the Czechs must agree to deliver complete industrial plants under the terms of the Point Four type program. The Czechs will make every effort to effect deliveries, although their internal market may suffer and Czech materiel shortages may increase.

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3. Moscow has instructed [redacted] that the satellites, including Czechoslovakia, must fulfill their trade treaty obligations towards the West "at any price". The East Bloc can then claim to have demonstrated its willingness to fulfill its trade obligations when proposing an expansion of East-West trade at the conference.

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4. Despite long negotiations, the Soviet-Czechoslovak trade list for 1952 has not been signed. The Russians have been disappointed at Czechoslovakia's failure to fulfill Soviet capital goods requirements during the past year and have reprimanded Foreign Trade Minister Gregor because Czechoslovakia's foreign trade with the East Bloc reached only 55% of the planned total.\* The projected trade list for 1952 calls for trade amounting to 15 billion Czech crowns each way between the USSR and Czechoslovakia. Total Czechoslovak exports for 1952 have been set at 50 billion crowns.

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5. Political tension exists between Czechoslovakia's Prime Minister Antonin Zapotocky and President Klement Gottwald, whose relative positions are not yet clear. However, Zapotocky's failure to appear at recent official events was caused by the state of his health, not by his political position. When Gottwald returned from East Germany, Zapotocky was in a sanatorium at Sliac, Slovakia (Q49/C74), ill from overwork.

6. Zapotocky's son-in-law Oldrich Kaiser, Czechoslovak ambassador in Mexico, has been in trouble with the Czechoslovak Ministry of Foreign Affairs since the defection of the Czechoslovak commercial attache [redacted] It is expected that Kaiser will be transferred to Rome. 25X1

7. About 10 April 1952, Minister of Information Vaclav Kopecky will lead a Czechoslovak delegation to Peiping.\*\* Although this is purely a good will tour, members of the delegation may discuss trade with Communist Chinese officials. Present trade relations between Czechoslovakia and Communist China are not good. A Communist Chinese trade delegation is still in Prague, where a treaty has not yet been concluded. Czechoslovakia is lagging in capital goods deliveries to Communist China. The Czechs requested a reduction of the level of 250,000,000 rubles each way which has been set by Moscow for Chinese-Czechoslovak trade in 1952, but the Soviet Union insists that the Czechs try to reach this figure since Cominform commitments to China must be met.

8. Gustav Bares, in charge of cultural affairs (Kulturreferent) at the Czechoslovak Press Service, who was arrested in November 1951, has been released and is now assistant editor of Rude Pravo.

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\* [redacted] Comment: Even 55% is an exaggerated figure. 25X1

\*\* [redacted] Comment: Kopecky was reported en route to China as chief of a special delegation in January 1952 [redacted] 25X1

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